

# **Strategy of IT Portfolio Management Implementation Project**

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## **Challenge**

In today's times of increasing citizen expectations for better and more efficient services under severe budget and personnel constraints, state organizations are challenged to link business and technology interests and develop appropriate policies, processes, and systems for effectively managing IT investments through their life cycles. Moreover, multi-faceted IT infrastructures, complex network architectures, multipart application configurations, and diverse user environments are difficult to administer, maintain, and manage for enabling responsive, cost-effective, dependable, and secure services to the public and supporting the achievement of performance results and outcomes for governmental programs.

## **Mission Statement**

Improve the management of IT investments by:

- Providing contemporary tools, incorporating proven methodologies, and following best practice disciplines to assist in the identification, ranking, and justification of investments; implementation of funded projects; and assessment and life cycle planning of legacy applications.
- Employing a cradle-to-grave approach from selection and deployment to retirement and removal from inventory for: a) enabling operational efficiencies, constituent service, political return, and/or risk mitigation; b) providing appropriate levels of IT service performance at acceptable costs; and c) minimizing potential for privacy or confidentiality violations or disruption of business operations from technical failures, management inattention, natural disasters, or malicious human-initiated events.
- Maximizing the use of fiscal, staffing, and other resources to create portfolios of projects and assets that provide higher potential value.

## **Purpose**

The purpose of the project is to provide business processes and automated capabilities for collecting and using objectively obtained data and performing quantitative and qualitative analyses to assist in the making of fact-based IT decisions in an effective and consistent manner for the management of investment candidates, projects, legacy (operational) applications, and other IT assets (such as technical infrastructure). That is, employ portfolio management tools, methodologies, and techniques to assist in the making of fact-centric, data-driven, and analytics-oriented management decisions by using a consistent and disciplined approach within a well-defined governance structure, including participation of both IT and business management.

## Portfolio Management

**Portfolio management is defined as** a strategic and dynamic decision-making process to assess value, prioritize actions, and allocate resources to meet key enterprise objectives. **A portfolio is** a collection of items grouped together to facilitate efficient and effective management so that fiscal, staffing, and other scarce resources can be optimally allocated to provide the most benefits or greatest value for investments made. **The objective of portfolio management is** to optimize the enterprise's IT portfolios in order to contribute to the organization's successful performance and its sustained viability, value, and growth. **The major tasks of portfolio management are:** 1) inventory and classify items in the portfolios, 2) identify problems and opportunities, 3) develop viable options, 4) perform relevant analyses, and 5) determine relevant criteria and weights, 6) evaluate alternatives using pertinent information, and 7) make reasoned and appropriate decisions. **Portfolios of interest in the project are** candidate investments (business cases), implementation projects, and legacy (operational) applications. **Future portfolios** may include infrastructure assets, such as PCs, laptops, communications equipment, printers, handheld devices, etc.

## Goals

1. Create new processes and procedures for the identification and justification of IT investments so that they are synchronized with governmental initiatives, agency strategies, and business/program goals; are achievable within budgetary and personnel resource limitations; offer acceptable risk profiles; maximize financial returns and/or societal value; satisfy project interdependencies; fit technical architectures; and meet requirements for security, privacy, confidentiality, and recoverability.
2. Advance the management of IT implementation projects by clarifying roles and responsibilities; providing for well understood and comparable oversight; ensuring they are planned well and researched thoroughly prior to starting; facilitating the management and monitoring of them to achieve budget, schedule, scope, and quality expectations; and completing them successfully so that envisaged business goals and objectives are realized and anticipated benefits and value accrue.
3. Implement and follow best practices for the life cycle management of applications assets, including managing and mitigating risks, maximizing business alignment, and enhancing business value. Improve the management of software applications by developing and maintaining a comprehensive database of these and implementing appropriate processes to assist in optimizing benefits-costs over their useful lives and ensuring that they provide services that meet availability, reliability, maintainability, security, and recoverability expectations within acceptable budgets. This is done by: a) analyzing status from business, financial, operational, technical, and risk perspectives; b) determining business-criticality of applications and risk-urgency of status; c) identifying areas of over- and under-investments and reallocating funds to give the most benefits or greatest value for monies spent; and d) developing the best approaches, priorities, and timeframes for enhancement, renovation, consolidation, elimination

or replacement. Assets should be retired (with or without replacement) when they no longer are cost-justified or risk-acceptable.

## **Objectives**

### General

1. Develop and implement well defined and formally adopted governance structures, practices, tools, and processes for investment reviews and project approvals and applications performance monitoring. These include roles and responsibilities for decision-making, management approvals, workflows (with checkpoints/gates), input/output information requirements, quantitative analysis capabilities, and intra-agency and statewide reporting relations.

### Project Approval and Monitoring

2. Automate the processes and analysis and reporting capabilities for the internal agency and statewide reviews and approvals of IT implementation projects.
3. Automate the monthly project status reporting and performance analysis for agency and statewide performance monitoring of IT implementation projects.
4. Assist in the early identification of potential problems and the development of remediation approaches and plans.

### Management of Legacy Applications

5. Implement an automated statewide inventory of legacy applications for assisting in the management of these, with easy updating capabilities, appropriate analysis and reporting features, and a comprehensive data element repository.
6. Provide analytic capabilities for enabling the identification of potential problems or opportunities and offer useful information for developing remediation strategies, plans, priorities, and timeframes.

### Financial Reporting

7. Develop useful and understandable financial and other metric reporting for expansion budget and other financial requests, implementation projects, and legacy applications that will meet the needs of funding and other oversight bodies.

### Expansion Budget Review

8. Automate the process for developing IT investment expansion budget projects, including the processes for intra-agency and statewide analyses and reviews.
9. Provide data collection, analysis, and reporting capabilities for documenting business cases; developing business drivers; determining alignments with agency missions, business strategies, and governmental initiatives; assisting in

analytical evaluations for determining priorities, reviewing staffing availabilities, and sequencing projects; and optimizing proposed portfolios of investments.